
HOUSE BILL No. 1677

DIGEST OF INTRODUCED BILL

Citations Affected: IC 4-31; IC 4-33; IC 4-35; IC 4-36-1-3.

Synopsis: Gaming at satellite facilities. Raises the maximum amount of county slot machine wagering fees payable to Madison County from \$8,000,000 to \$10,000,000. Authorizes slot machine wagering at a satellite facility in Allen County. Imposes a slot machine wagering fee equal to 10% of the adjusted gross receipts attributable to slot machine wagering at a satellite facility in Allen County. Requires the fee to be transferred to the treasurer of Allen County for distribution.

Effective: Upon passage.

Austin, Reske, Lutz

January 22, 2009, read first time and referred to Committee on Rules and Legislative Procedures.

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Introduced

First Regular Session 116th General Assembly (2009)

PRINTING CODE. Amendments: Whenever an existing statute (or a section of the Indiana Constitution) is being amended, the text of the existing provision will appear in this style type, additions will appear in **this style type**, and deletions will appear in ~~this style type~~.

Additions: Whenever a new statutory provision is being enacted (or a new constitutional provision adopted), the text of the new provision will appear in **this style type**. Also, the word **NEW** will appear in that style type in the introductory clause of each SECTION that adds a new provision to the Indiana Code or the Indiana Constitution.

Conflict reconciliation: Text in a statute in *this style type* or ~~this style type~~ reconciles conflicts between statutes enacted by the 2008 Regular Session of the General Assembly.

HOUSE BILL No. 1677

A BILL FOR AN ACT to amend the Indiana Code concerning gaming.

Be it enacted by the General Assembly of the State of Indiana:

1 SECTION 1. IC 4-31-2-1.5 IS ADDED TO THE INDIANA CODE
2 AS A **NEW** SECTION TO READ AS FOLLOWS [EFFECTIVE
3 UPON PASSAGE]: **Sec. 1.5. "Authorized satellite facility" has the**
4 **meaning set forth in IC 4-35-2-2.3.**

5 SECTION 2. IC 4-31-4-2.5 IS AMENDED TO READ AS
6 FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 2.5. (a) A county
7 fiscal body may adopt an ordinance permitting the filing of applications
8 under IC 4-31-5.5 for operation of a satellite facility in the county.
9 However, before adopting the ordinance, the county fiscal body must:

- 10 (1) conduct a public hearing on the proposed ordinance; and
11 (2) publish notice of the public hearing in the manner prescribed
12 by IC 5-3-1.

13 (b) The county fiscal body may:

- 14 (1) require in the ordinance adopted by the county fiscal body that
15 before applications under IC 4-31-5.5 to operate a satellite facility
16 in the county may be filed, the voters of the county must approve
17 the operation of a satellite facility in the county under section 3 of

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1 this chapter; or

2 (2) amend an ordinance already adopted in the county to require
3 that before applications under IC 4-31-5.5 to operate a satellite
4 facility in the county may be filed, the voters of the county must
5 approve the operation of a satellite facility in the county under
6 section 3 of this chapter.

7 An ordinance adopted under this section may not be amended to apply
8 to a person who was issued a license under IC 4-31-5.5 before the
9 ordinance was amended.

10 **(c) An ordinance adopted under this section authorizing a**
11 **person to conduct pari-mutuel wagering at a satellite facility in the**
12 **county may not be amended in a manner that restricts a person's**
13 **ability to conduct slot machine wagering under IC 4-35 at an**
14 **authorized satellite facility.**

15 SECTION 3. IC 4-31-7-1, AS AMENDED BY P.L.233-2007,
16 SECTION 8, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
17 UPON PASSAGE]: Sec. 1. (a) A person holding a permit to conduct
18 a horse racing meeting or a license to operate a satellite facility may
19 provide a place in the racing meeting grounds or enclosure or the
20 satellite facility at which the person may conduct and supervise the
21 pari-mutuel system of wagering by patrons of legal age on the horse
22 races conducted or simulcast by the person. The person may not permit
23 or use:

24 (1) another place other than that provided and designated by the
25 person; or

26 (2) another method or system of betting or wagering.

27 However, a permit holder licensed to conduct gambling games under
28 IC 4-35 may permit wagering on slot machines at a racetrack **and at an**
29 **authorized satellite facility** as permitted by IC 4-35.

30 (b) Except as provided in section 7 of this chapter and IC 4-31-5.5,
31 the pari-mutuel system of wagering may not be conducted on any races
32 except the races at the racetrack, grounds, or enclosure for which the
33 person holds a permit.

34 SECTION 4. IC 4-31-7-2, AS AMENDED BY P.L.233-2007,
35 SECTION 9, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
36 UPON PASSAGE]: Sec. 2. (a) A person less than eighteen (18) years
37 of age may not wager at a horse racing meeting.

38 (b) A person less than eighteen (18) years of age may not enter the
39 grandstand, clubhouse, or similar areas of a racetrack at which
40 wagering is permitted unless accompanied by a person who is at least
41 twenty-one (21) years of age.

42 (c) A person less than eighteen (18) years of age may not enter a

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satellite facility.

(d) Except as provided by IC 4-35-7-2, a person less than twenty-one (21) years of age may not enter the area of a racetrack **or an authorized satellite facility** in which gambling games are conducted under IC 4-35.

SECTION 5. IC 4-33-18-9, AS AMENDED BY P.L.233-2007, SECTION 20, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 9. (a) Nothing in this chapter may be construed to limit the powers or responsibilities of:

- (1) the state lottery commission under IC 4-30;
- (2) the Indiana horse racing commission under IC 4-31; or
- (3) the Indiana gaming commission under IC 4-32.2, IC 4-33, or IC 4-35.

(b) The department may not exercise any administrative or regulatory powers with respect to:

- (1) the Indiana lottery under IC 4-30;
- (2) pari-mutuel horse racing under IC 4-31;
- (3) charity gaming under IC 4-32.2;
- (4) riverboat casino gambling under IC 4-33; or
- (5) gambling games conducted at a racetrack (as defined in IC 4-35-2-9) **or at an authorized satellite facility (as defined in IC 4-35-2-2.3)** under IC 4-35.

SECTION 6. IC 4-35-2-2.3 IS ADDED TO THE INDIANA CODE AS A **NEW** SECTION TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 2.3. "**Authorized satellite facility**" means a satellite facility (as defined in IC 4-31-2-20.5) that satisfies both of the following requirements:

- (1) **Pari-mutuel wagering commenced at the satellite facility before January 1, 2009.**
- (2) **The satellite facility is located in Allen County.**

SECTION 7. IC 4-35-3-3, AS ADDED BY P.L.233-2007, SECTION 21, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 3. (a) This section does not apply to real or personal property taxes imposed by a local taxing unit.

(b) Local governmental authority concerning all matters relating to the gambling games at racetracks **or at an authorized satellite facility** conducted under this article is preempted by the state. ~~under this article.~~

(c) No tax or fee, except as provided in this article, shall be assessed or collected from a permit holder by a political subdivision having the power to assess or collect a tax or fee. This section does not prohibit the assessment and levying of property taxes otherwise authorized by

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law or the imposing of a special assessment (including a ditch or drainage assessment, Barrett Law assessment, improvement assessment, sewer assessment, or sewage assessment) otherwise authorized by law to be imposed on property to be benefitted by an improvement.

(d) A political subdivision may not enter an agreement with a permit holder that requires any financial commitments from the permit holder that are in addition to the fees and taxes imposed under this article.

SECTION 8. IC 4-35-3-4, AS ADDED BY P.L.233-2007, SECTION 21, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 4. This article will maintain the public's confidence and trust through:

- (1) comprehensive law enforcement supervision; and
- (2) the strict regulation of **the facilities, equipment, persons, and associations and related to gambling games conducted at:**

(A) racetracks; under this article: or

(B) an authorized satellite facility.

SECTION 9. IC 4-35-4-1, AS ADDED BY P.L.233-2007, SECTION 21, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 1. (a) The commission shall regulate and administer gambling games conducted by a licensee under this article.

(b) The commission has the following powers and duties for the purpose of administering, regulating, and enforcing the system of gambling games at racetracks authorized under this article:

- (1) All powers and duties specified in this article.
- (2) All powers necessary and proper to fully and effectively execute this article.
- (3) Jurisdiction and supervision over the following:
 - (A) All gambling game operations in Indiana.
 - (B) All persons at racetracks where gambling games are conducted.
 - (C) All persons at an authorized satellite facility where slot machine wagering is conducted.**
- (4) The power to investigate and reinvestigate applicants and licensees and determine the eligibility of applicants for licenses.
- (5) The power to take appropriate administrative enforcement or disciplinary action against a licensee.
- (6) The power to investigate alleged violations of this article.
- (7) The power to conduct hearings.
- (8) The power to issue subpoenas for the attendance of witnesses and subpoenas duces tecum for the production of books, records, and other relevant documents.

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(9) The power to administer oaths and affirmations to the witnesses.

(10) The power to prescribe forms to be used by licensees.

(11) The power to revoke, suspend, or renew licenses issued under this article.

(12) The power to hire employees to gather information, conduct investigations, and carry out other tasks under this article. The employees hired by the commission under this article may be the same as the commission's employees hired under IC 4-32.2 or IC 4-33.

(13) The power to take any reasonable or appropriate action to enforce this article.

(c) The commission may by resolution assign to the executive director any duty imposed upon the commission by this article.

(d) The executive director shall perform the duties assigned to the executive director by the commission. The executive director may exercise any power conferred upon the commission by this article that is consistent with the duties assigned to the executive director under subsection (c).

SECTION 10. IC 4-35-4-3, AS ADDED BY P.L.233-2007, SECTION 21, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 3. The commission shall adopt rules under IC 4-22-2 for the following purposes:

(1) Administering this article.

(2) Establishing the conditions under which gambling games at racetracks may be conducted.

(3) Providing for the prevention of practices detrimental to the public interest.

(4) Establishing rules concerning the inspection of gambling game facilities at racetracks and the review of the licenses necessary to conduct gambling games under this article.

(5) Imposing penalties for noncriminal violations of this article.

(6) Establishing the conditions under which slot machine wagering may be conducted at an authorized satellite facility.

(7) Establishing the rules concerning the inspection of the slot machine facility at an authorized satellite facility and the review of licenses necessary to conduct slot machine wagering at the authorized satellite facility.

SECTION 11. IC 4-35-4-4, AS ADDED BY P.L.233-2007, SECTION 21, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 4. The commission shall be present through the commission's gaming agents during the time gambling games are

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being conducted at a racetrack **or at an authorized satellite facility** to do the following:

- (1) Certify the revenue received by a racetrack **or an authorized satellite facility** from gambling games.
- (2) Receive complaints from the public concerning the operation of gambling games.
- (3) Conduct other investigations into the conduct of the gambling games and the maintenance of the equipment that the commission considers necessary and proper.

SECTION 12. IC 4-35-4-5, AS ADDED BY P.L.233-2007, SECTION 21, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 5. The commission shall employ gaming agents to perform duties imposed by this article. A licensee shall, under rules adopted by the commission under IC 4-22-2, reimburse the commission for:

- (1) training expenses incurred to train gaming agents;
- (2) salaries and other expenses of staff required to support the gaming agents; and
- (3) salaries and other expenses of the gaming agents required to be present during the time gambling games are being conducted at a racetrack **or at an authorized satellite facility**.

SECTION 13. IC 4-35-4-7, AS ADDED BY P.L.233-2007, SECTION 21, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 7. (a) The commission shall adopt standards for the licensing of the following:

- (1) Persons regulated under this article.
- (2) Slot machines used in gambling games.
- (b) Where applicable, 68 IAC applies to:
 - (1) racetracks; **and**
 - (2) **an authorized satellite facility;**

conducting gambling games under this article.

SECTION 14. IC 4-35-4-9, AS ADDED BY P.L.233-2007, SECTION 21, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 9. (a) The commission may eject or exclude or authorize the ejection or exclusion of a person from a facility at which gambling games are conducted **at a racetrack or at an authorized satellite facility** if:

- (1) the person's name is on the list of persons voluntarily excluding themselves from all facilities at which gambling games are conducted in a program established under the rules of the commission;
- (2) the person violates this article; or

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(3) the commission determines that the person's conduct or reputation is such that the person's presence within a facility at which gambling games are conducted may:

- (A) call into question the honesty and integrity of the gambling games at racetracks **or at an authorized satellite facility**; or
- (B) interfere with the orderly conduct of the gambling games at racetracks **or at an authorized satellite facility**.

(b) A person, other than a person participating in a voluntary exclusion program, may petition the commission for a hearing on the person's ejection or exclusion under this section.

SECTION 15. IC 4-35-4-11, AS ADDED BY P.L.233-2007, SECTION 21, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 11. (a) The commission shall review and make a determination on a complaint by a licensee concerning an investigative procedure that the licensee alleges is unnecessarily disruptive of gambling games at racetracks **or at an authorized satellite facility**.

(b) A licensee filing a complaint under this section must prove all of the following by clear and convincing evidence:

- (1) The investigative procedure had no reasonable law enforcement purpose.
- (2) The investigative procedure was so disruptive as to unreasonably inhibit gambling games at racetracks **or at an authorized satellite facility**.

(c) For purposes of this section, the need to inspect and investigate a licensee shall be presumed at all times.

SECTION 16. IC 4-35-4-12, AS ADDED BY P.L.233-2007, SECTION 21, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 12. (a) The commission shall require a licensee to conspicuously display the number of the toll free telephone line described in IC 4-33-12-6 in the following locations:

- (1) On each admission ticket to a facility at which gambling games are conducted, if tickets are issued.
- (2) On a poster or placard that is on display in a public area of each facility at which gambling games **are conducted at racetracks are conducted. a racetrack or at an authorized satellite facility**.

(b) The commission may adopt rules under IC 4-22-2 necessary to carry out this section.

SECTION 17. IC 4-35-5-1, AS ADDED BY P.L.233-2007, SECTION 21, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 1. (a) The commission may issue a license to

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a permit holder to conduct gambling games under this article. ~~at the permit holder's racetrack.~~ The number of licenses issued under this chapter may not exceed two (2).

(b) After June 30, 2009, a license issued under this chapter to a permit holder authorizes the following activities:

(1) A permit holder described in IC 4-31-4-1.5(b) is authorized to conduct gambling games at the permit holder's:

(A) racetrack; and

(B) authorized satellite facility.

(2) A permit holder that is not described in IC 4-31-4-1.5(b) is authorized to conduct gambling games at the permit holder's racetrack.

SECTION 18. IC 4-35-6-2, AS ADDED BY P.L.233-2007, SECTION 21, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 2. A person may not receive a supplier's license under this chapter if:

(1) the person has been convicted of a felony under Indiana law, the laws of any other state, or the laws of the United States;

(2) the person has knowingly or intentionally submitted an application for a supplier's license under this chapter that contains false information;

(3) the person is a member of the commission;

(4) the person is an officer, a director, or a managerial employee of a person described in subdivision (1) or (2);

(5) the person employs an individual who:

(A) is described in subdivision (1), (2), or (3); or

(B) participates in the management or operation of gambling games ~~at racetracks~~ authorized under this article;

(6) the person owns more than a ten percent (10%) ownership interest in any other person holding a permit issued under IC 4-31; or

(7) a license issued to the person:

(A) under this article;

(B) under IC 4-33-7; or

(C) to supply gaming supplies in another jurisdiction;

has been revoked.

SECTION 19. IC 4-35-6-8, AS ADDED BY P.L.233-2007, SECTION 21, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 8. Slot machines operated under this article may be:

(1) repaired on the premises of a racetrack **or an authorized satellite facility;** or

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(2) removed for repair from the racetrack **or an authorized satellite facility** to a facility owned by the licensee.

SECTION 20. IC 4-35-6.5-1, AS ADDED BY P.L.233-2007, SECTION 21, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 1. The commission shall determine the occupations related to gambling games at racetracks **or an authorized satellite facility** that require a license under this chapter.

SECTION 21. IC 4-35-6.5-2, AS ADDED BY P.L.233-2007, SECTION 21, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 2. (a) The commission may issue an occupational license to an individual if:

- (1) the individual has applied for the occupational license;
- (2) a nonrefundable application fee set by the commission has been paid on behalf of the applicant in accordance with subsection (b);
- (3) the commission has determined that the applicant is eligible for an occupational license; and
- (4) an annual license fee in an amount established by the commission has been paid on behalf of the applicant in accordance with subsection (b).

(b) A permit holder that is an applicant for a license under this article or that is issued a license under this article or a holder of a supplier's license under this article shall pay the application fee of an individual applying for an occupational license to work:

- (1) in an occupation related to gambling games at the permit holder's racetrack **or authorized satellite facility**; or
- (2) for the holder of a supplier's license.

A permit holder that is an applicant for a license under this article or that is issued a license under this article or a holder of a supplier's license under this article shall pay the annual occupational license fee on behalf of an employee or potential employee. A permit holder that is an applicant for a license under this article or that is issued a license under this article or a holder of a supplier's license under this article may seek reimbursement of the application fee or annual license fee from an employee who is issued an occupational license.

(c) A license issued under this chapter is valid for one (1) year after the date of issuance.

(d) Unless an occupational license is suspended, expires, or is revoked, the occupational license may be renewed annually upon:

- (1) the payment of an annual license fee by the permit holder that is issued a license under this article or the holder of a supplier's license under this article on behalf of the licensee in an amount

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established by the commission; and

(2) a determination by the commission that the licensee is in compliance with this article.

(e) The commission may investigate the holder of an occupational license at any time the commission determines it is necessary to ensure that the licensee is in compliance with this article.

(f) A permit holder that is an applicant for a license under this article or that is issued a license under this article or a holder of a supplier's license under this article:

(1) shall pay the cost of an investigation or reinvestigation of a holder of an occupational license who is employed by the permit holder or holder of a supplier's license; and

(2) may seek reimbursement of the cost of an investigation or reinvestigation from an employee who holds an occupational license.

SECTION 22. IC 4-35-6.5-3, AS ADDED BY P.L.233-2007, SECTION 21, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 3. Except as provided by section 11 of this chapter, the commission may not issue an occupational license to an individual unless the individual:

(1) is at least eighteen (18) years of age;

(2) has not been convicted of a felony under Indiana law, the laws of any other state, or the laws of the United States;

(3) has demonstrated a level of skill or knowledge that the commission determines is necessary to operate gambling games at racetracks **or at an authorized satellite facility**; and

(4) has met standards adopted by the commission for the holding of an occupational license.

SECTION 23. IC 4-35-6.5-4, AS ADDED BY P.L.233-2007, SECTION 21, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 4. The commission shall adopt rules under IC 4-22-2 providing the following:

(1) That an individual applying for an occupational license to manage gambling games at racetracks **or at an authorized satellite facility** under this article is subject to background inquiries and requirements similar to those required for an applicant for a license under IC 4-33-6.

(2) That each individual applying for an occupational license may manage gambling games for only one (1) licensee.

SECTION 24. IC 4-35-6.5-10, AS ADDED BY P.L.233-2007, SECTION 21, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 10. Training provided for occupational

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licensees may be conducted:

(1) at a racetrack **or an authorized satellite facility, as applicable;** or

(2) at a school with which a licensee has entered into an agreement under section 9 of this chapter.

SECTION 25. IC 4-35-7-1, AS ADDED BY P.L.233-2007, SECTION 21, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 1. Gambling games authorized under this article may not be conducted anywhere other than a slot machine facility located at a racetrack **or at an authorized satellite facility.**

SECTION 26. IC 4-35-7-1.5 IS ADDED TO THE INDIANA CODE AS A **NEW SECTION** TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: **Sec. 1.5. (a) This section applies to a licensee that is a permit holder described in IC 4-31-4-1.5(b).**

(b) Before a licensee may conduct slot machine wagering at the licensee's authorized satellite facility, the licensee shall submit to the commission for the commission's approval the physical layout of the facility in which slot machine wagering will be conducted. The facility must be connected to the licensee's authorized satellite facility.

SECTION 27. IC 4-35-7-2, AS ADDED BY P.L.233-2007, SECTION 21, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 2. (a) A person who is less than twenty-one (21) years of age may not wager on a slot machine.

(b) Except as provided in ~~subsection~~ **subsections (c) and (d)**, a person who is less than twenty-one (21) years of age may not be present in the area of a racetrack **or authorized satellite facility** where gambling games are conducted.

(c) A person who is at least eighteen (18) years of age and who is an employee of the racetrack may be present in the area of the racetrack where gambling games are conducted. However, an employee who is less than twenty-one (21) years of age may not perform any function involving gambling by the patrons of the licensee's slot machine facility.

(d) A person who is at least eighteen (18) years of age and who is an employee of the authorized satellite facility may be present in the area of the authorized satellite facility where slot machine wagering is conducted. However, an employee who is less than twenty-one (21) years of age may not perform any function involving gambling by the patrons of the licensee's authorized satellite facility.

SECTION 28. IC 4-35-7-9, AS ADDED BY P.L.233-2007,

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SECTION 21, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 9. (a) A patron may make a slot machine wager at a racetrack **or an authorized satellite facility under this article** only by means of:

(1) a token or an electronic card purchased from a licensee at the licensee's racetrack **or authorized satellite facility**; or

(2) money or other negotiable currency.

(b) A token or an electronic card may be purchased by means of an agreement under which a licensee extends credit to the patron.

(c) All winnings and payoffs from a slot machine at a racetrack **or an authorized satellite facility**:

(1) shall be made in tokens, electronic cards, paper tickets, or other evidence of winnings and payoffs approved by the commission; and

(2) may not be made in money or other negotiable currency.

SECTION 29. IC 4-35-7-10, AS ADDED BY P.L.233-2007, SECTION 21, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 10. A token or an electronic card described in section 9 of this chapter may be used by a patron while the patron is present at the racetrack **or authorized satellite facility** only to make a wager on a slot machine authorized under this article.

SECTION 30. IC 4-35-7-11, AS ADDED BY P.L.233-2007, SECTION 21, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 11. A licensee may not install more than a **combined total of two thousand (2,000) slot machines** on the premises of the licensee's racetrack **and the licensee's authorized satellite facility** without the approval of the commission.

SECTION 31. IC 4-35-7-11.5 IS ADDED TO THE INDIANA CODE AS A NEW SECTION TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 11.5. (a) **This section applies only to a licensee that is a permit holder described in IC 4-31-4-1.5(b).**

(b) **Subject to subsection (c), a licensee may install not more than five hundred (500) slot machines on the premises of the licensee's authorized satellite facility.**

(c) **A licensee that conducts slot machine wagering at an authorized satellite facility is required to maintain at least one thousand five hundred (1,500) slot machines on the premises of the licensee's slot machine facility at the licensee's racetrack.**

SECTION 32. IC 4-35-8-1, AS ADDED BY P.L.233-2007, SECTION 21, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 1. (a) A graduated slot machine wagering tax

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is imposed as follows on the adjusted gross receipts received from wagering on gambling games authorized by this article:

(1) Twenty-five percent (25%) of the first one hundred million dollars (\$100,000,000) of adjusted gross receipts received **from a racetrack or an authorized satellite facility** during the period beginning July 1 of each year and ending June 30 of the following year.

(2) Thirty percent (30%) of the adjusted gross receipts in excess of one hundred million dollars (\$100,000,000) but not exceeding two hundred million dollars (\$200,000,000) received **from a racetrack or an authorized satellite facility** during the period beginning July 1 of each year and ending June 30 of the following year.

(3) Thirty-five percent (35%) of the adjusted gross receipts in excess of two hundred million dollars (\$200,000,000) received **from a racetrack or an authorized satellite facility** during the period beginning July 1 of each year and ending June 30 of the following year.

For purposes of determining the tax rate imposed under this section, the department may not aggregate the adjusted gross receipts attributable to slot machine wagering at a licensee's racetrack with the adjusted gross receipts attributable to slot machine wagering at the licensee's authorized satellite facility.

(b) A licensee shall remit the tax imposed by this section to the department before the close of the business day following the day the wagers are made.

(c) The department may require payment under this section to be made by electronic funds transfer (as defined in IC 4-8.1-2-7(f)).

(d) If the department requires taxes to be remitted under this chapter through electronic funds transfer, the department may allow the licensee to file a monthly report to reconcile the amounts remitted to the department.

(e) The payment of the tax under this section must be on a form prescribed by the department.

SECTION 33. IC 4-35-8.5-1, AS ADDED BY P.L.233-2007, SECTION 21, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 1. (a) Before the fifteenth day of each month, a licensee that offers slot machine wagering under this article **at a racetrack located in Shelby County** shall pay to the commission a county slot machine wagering fee equal to three percent (3%) of the adjusted gross receipts received from slot machine wagering during the previous month at the licensee's racetrack. However, a licensee is not

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required to pay more than eight million dollars (\$8,000,000) of county slot machine wagering fees under this ~~section~~ subsection in any state fiscal year.

(b) Before the fifteenth day of each month, a licensee that offers slot machine wagering under this article at a racetrack located in Madison County shall pay to the commission a county slot machine wagering fee equal to three percent (3%) of the adjusted gross receipts received from slot machine wagering during the previous month at the licensee's racetrack. However, a licensee is not required to pay more than ten million dollars (\$10,000,000) of county slot machine wagering fees under this subsection in any state fiscal year.

(c) Before the fifteenth day of each month, a licensee that offers slot machine wagering at an authorized satellite facility shall pay to the commission a county slot machine wagering fee equal to ten percent (10%) of the adjusted gross receipts received from slot machine wagering during the previous month at the licensee's authorized satellite facility.

~~(b)~~ (d) The commission shall deposit the county slot machine wagering fee received by the commission into a separate account within the state general fund.

SECTION 34. IC 4-35-8.5-2, AS ADDED BY P.L.233-2007, SECTION 21, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 2. Before the fifteenth day of each month, the treasurer of state shall **do the following**:

(1) Distribute any county slot machine wagering fees received from a licensee **under section 1(a) or 1(b) of this chapter** during the previous month to the county ~~auditor~~ **treasurer** of the county in which the licensee's racetrack is located.

(2) **Distribute any slot machine wagering fees received from a licensee under section 1(c) of this chapter during the previous month to the county treasurer of the county in which the licensee's authorized satellite facility is located.**

SECTION 35. IC 4-35-8.5-3, AS ADDED BY P.L.233-2007, SECTION 21, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 3. The ~~auditor~~ **treasurer** of each county receiving a distribution of county slot machine wagering fees under section 2 of this chapter shall distribute the county slot machine wagering fees as follows:

(1) To each city located in the county according to the ratio the city's population bears to the total population of the county.

(2) To each town located in the county according to the ratio the

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town's population bears to the total population of the county.

(3) After the distributions required by subdivisions (1) and (2) are made, the remainder shall be retained by the county.

SECTION 36. IC 4-35-8.8-2, AS ADDED BY P.L.233-2007, SECTION 21, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 2. A licensee that offers slot machine wagering at racetracks under this article shall annually pay to the division a problem gambling fee equal to five hundred thousand dollars (\$500,000) for each racetrack **and authorized satellite facility** at which the licensee offers slot machine wagering.

SECTION 37. IC 4-35-8.9-2, AS ADDED BY P.L.233-2007, SECTION 21, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 2. (a) Before the fifteenth day of each month, a licensee that offers slot machine wagering under this article shall pay to the commission a supplemental fee equal to one percent (1%) of the adjusted gross receipts received by the licensee from slot machine wagering **at the licensee's racetrack**.

(b) The commission shall deposit the supplemental fees into a separate account within the state general fund.

SECTION 38. IC 4-35-11-1, AS ADDED BY P.L.233-2007, SECTION 21, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 1. This chapter applies to persons holding a permit **or license** to operate:

(1) a racetrack under IC 4-31-5 at which slot machines are licensed under this article; **or**

(2) **an authorized satellite facility at which slot machines are licensed under this article.**

SECTION 39. IC 4-35-11-2, AS ADDED BY P.L.233-2007, SECTION 21, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 2. The general assembly declares that it is essential for minority and women's business enterprises to have the opportunity for full participation in the ~~racetrack~~ **pari-mutuel horse racing** industry if minority and women's business enterprises are to obtain social and economic parity and if the economies of the cities, towns, and counties in which slot machines are operated at racetracks **and authorized satellite facilities** are to be stimulated as contemplated by this article.

SECTION 40. IC 4-35-11-8, AS AMENDED BY P.L.87-2008, SECTION 6, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 8. The commission shall use the certifications made under IC 4-13-16.5 for minority and women's business enterprises that do business with horse track operations **and**

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1 **authorized satellite facilities** on contracts for goods or services or
 2 contracts for business.

3 SECTION 41. IC 4-36-1-3, AS ADDED BY P.L.95-2008,
 4 SECTION 13, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
 5 UPON PASSAGE]: Sec. 3. This article does not apply to the following:

- 6 (1) The Indiana state lottery established under IC 4-30.
- 7 (2) Pari-mutuel horse racing under IC 4-31.
- 8 (3) Charity gaming under IC 4-32.2.
- 9 (4) Riverboat gambling under IC 4-33.
- 10 (5) Slot machine wagering **conducted** under IC 4-35 **at**
 11 **racetracks and authorized satellite facilities.**

12 SECTION 42. IC 4-33-2-17.5 IS REPEALED [EFFECTIVE UPON
 13 PASSAGE].

14 SECTION 43. [EFFECTIVE UPON PASSAGE] (a) **As used in this**
 15 **SECTION, "commission" means the Indiana gaming commission**
 16 **established by IC 4-33-3-1.**

17 (b) **The commission shall adopt rules to implement IC 4-35-5-1,**
 18 **as amended by this act, in the same manner emergency rules are**
 19 **adopted under IC 4-22-2-37.1. Any rules adopted under this**
 20 **SECTION must be adopted before June 1, 2009. A rule adopted**
 21 **under this SECTION expires on the earlier of:**

- 22 (1) **the date a rule is adopted by the commission to amend,**
 23 **repeal, or otherwise supersede the previously adopted**
 24 **emergency rule; or**
- 25 (2) **July 1, 2010.**

26 (c) **This SECTION expires July 1, 2010.**

27 SECTION 44. **An emergency is declared for this act.**

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